

**PBI-3**

**Performance Based Incentive (PBI) Title: Single-Shell Tank (SST) Retrieval and Closure**

**Performance Fee available and assigned to this PBI: \$30,000,000**

<b>ORP Assistant Manager:</b>	<b>ORP POC:</b>	<b>CH2M Manager:</b>	<b>CH2M POC:</b>
J. Swailes	D. Noyes	R. Dodd	T. Hissong

**Desired Endpoint/Outcome**

Complete interim retrieval and closure activities that meet and/or exceed requirements established in the Hanford Federal Facility Agreement and Consent Order (HFFACO) or Tri-Party Agreement M-45 series milestones. This work scope is inclusive of the M-45-02-03 change established in 08/02. The Contractor is responsible for establishing the technical and regulatory pathway for tank farm retrieval and closure (including National Environmental Policy Act, M-45 requirements, U.S. Department of Energy (DOE) O 435.1, "Radioactive Waste Management," requirements, etc.). Additionally, the Contractor will develop and demonstrate the retrieval and closure capability to accomplish the commitments in the Hanford Performance Management Plan including the use of risk-informed approaches to properly align the retrieval, residuals treatment, and closure approaches with the risk associated with the wastes in each tank.

**Fee Payment Schedule**

Upon completion of each fee bearing milestone set forth herein, Contractor will be paid either provisional fee or incremental fee, in accordance with Contract Clause H.2, "Provisional and Incremental Payments of Fee." Whether a milestone entitles Contractor to provisional fee or incremental fee is set forth in the milestone discussions contained herein.

**Fee Bearing Milestones**

1. Retrieve and Close M-45 High-Risk SSTs (S-112, S-102, C-104). Performance Fee: \$4,500,000

Retrieve and interim close "high-risk" tanks as identified in the M-45 series milestones. Retrieval and interim closure actions will meet or exceed HFFACO schedule requirements. Items a. through e. below will entitle Contractor to incremental fee payments.

"Interim closure" shall have the meaning set forth in HFFACO milestone change request M-45-02-03.

"Meeting or Exceeding" retrieval and interim closure requirements include, but are not limited to, removal of waste, closed system performance, and waste management area risk metrics.

- a. Complete retrieval of S-112 and earn \$1,000,000 of the above performance fee.
- b. Complete interim closure of S-112 and earn \$1,000,000 of the above performance fee.
- c. Complete retrieval of S-102 and earn \$1,000,000 of the above performance fee.
- d. Complete interim closure of S-102 and earn \$1,000,000 of the above performance fee.
- e. Complete retrieval of C-104 and earn \$500,000 of the above performance fee.

2. Remove Waste/Demonstrate Interim Closure of C-106 and Demonstrate Interim Closure of 4 Additional Low-Risk, Low-Volume Tanks (e.g., C-201, C-202, C-203, C-204). Performance Fee: \$6,000,000

Remove waste from C-106 to support Demonstration Interim Closure as defined in the M-45 series milestones (e.g., M-45-02-03 change request). Remove waste from four additional low-risk, low-volume interim closure demonstration tanks to the levels required for interim closure. Items a. through c. below will entitle Contractor to incremental fee payments.

- a. Complete removal of waste from C-106 to levels required for closure and earn \$1,000,000 of the above performance fee.
- b. Complete demonstration interim closure of C-106 and earn \$1,000,000 of the above performance fee.
- c. Complete demonstration interim closure of C-201, C-202, C-203, C-204 earn \$1,000,000 in incremental fee for each tank interim closed (Total available - \$4,000,000).

Completion of interim closure for these 4 tanks is defined as the completion of necessary field project activities required by the approved SST closure plan consistent with HFFACO Milestone M-45.

3. Interim Close Additional Single-Shell Waste Tanks. Performance Fee: \$19,000,000

- a. Interim close additional single-shell waste tanks by 09/30/06, earn \$1,000,000 of incremental performance fee for each tank.

Exception: Waste tanks that initiate retrieval after 09/01/05 shall earn an incremental fee of \$750,000 upon completion of retrieval, and \$250,000 for completion of interim closure.

- b. An incremental acceleration fee of \$2,000,000 per tank will be earned for tanks interim closed over and above 19 in this item and completion of interim tank closures in items 1 and 2 above.

Exception: Waste tanks above 19 in this item that initiate retrieval after 09/01/05 shall earn an incremental fee of \$1,500,000 upon completion of retrieval, and \$500,000 for completion of interim closure.

Completion of interim closure is defined as the completion of necessary field project activities required by the approved SST closure plan consistent with HFFACO Milestone M-45.

4. Deleted.

5. Complete interim stabilization (IS) of 244-AR Vault. Performance Fee: \$500,000

- a. Complete IS of 244-AR vault in accordance with M-45-11A by 09/30/03 and earn \$500,000.

### **Government Furnished Services/Items (GFS/I)**

Provide DOE review/approval of DOE O 435.1 deliverables within 60 days of receipt (30-day review/comment + 30 day final approval) except as specified below.

Provide DOE review/approval of HFFACO deliverables within 15 working days of receipt, except as specified below.

The Office of River Protection (ORP) will respond to all other Contractor submittals (e.g., Authorization Basis, Safety Analysis Reports, Baseline Change Requests) required to complete this activity within 15 working days provided the submittals are complete and ORP is provided with reasonable notice of the intent to submit.

DOE will review/approve the DOE O 435.1 Tier 1 Closure Plan and the Tier 2 Closure Plan (or equivalent) within 60 days of Contractor submittal.

ORP will review/approve within 20 working days all Contractor submitted Performance Assessments.

ORP will approve all waste incidental to reprocessing determinations within 60 days of Contractor submittal.

ORP will review/approve the Composite Analysis (1998) to support retrieval/closure activities.

ORP will initiate Closure Environmental Impact Statement (EIS) support activities accordingly to facilitate issuance of the EIS and the Closure Record of Decision, within the agreed to schedule.

### **Commitments**

The Contractor shall:

- make fundamental changes in program logic and work performance,
- take actions to align Contractor organizations, work processes, etc. to achieve PBI outcomes,
- establish defensible technical, regulatory, and programmatic solutions,
- plan and lead all required internal and external discussions and interactions to achieve results incentivized in this PBI, and
- drive agreement within regulators and stakeholder groups for PBI outcomes.

The DOE ORP will:

- work with the Contractor and the Regulators to allow appropriate retrieval technology and to define the end point of retrieval activities necessary for interim closure on a risk basis.
- work with the Contractor and regulators to cause the redefinition of the SST retrieval sequence to allow the sequence of retrieval deemed necessary to meet milestones.
- work with the Contractor and regulators to allow composite Functions and Requirements Documents to bound similar waste and retrieval activities.
- work with the Contractor and regulators to allow minimal or no Leak Detection Monitoring and Mitigation requirements for each retrieval activity.

- work with the Contractor and regulators to allow in-process sampling to satisfy data requirements for risk assessments, retrieval, and closure activities.

### Definitions

"GFS/I" are those work elements that the DOE commits to perform to support the completion of this PBI. If DOE cannot provide GFS/I as described herein, then it shall be treated as a change in accordance with Contract Clause I.64, Federal Acquisition Regulation 52.243-2, "Changes-Cost Reimbursement, Alt II."

### Signature Block

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Edward S. Aromi, President  
and General Manager,  
CH2M HILL Hanford Group, Inc.

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Date

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David B. Amerine, Executive Vice President  
and Deputy General Manager  
CH2M HILL Hanford Group, Inc.

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Date

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John H. Swailes, Assistant Manager for Tank Farms  
U.S. Department of Energy, Office of River Protection

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Date

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Roy J. Schepens, Manager  
U.S. Department of Energy, Office of River Protection

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Date